

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554**

In the Matter of)	
)	
SRT COMMUNICATIONS, INC.)	
(FRN 0004313342))	CC Docket No. 96-45
)	
An Incumbent Local Exchange Carrier in)	
the State of North Dakota)	
)	
NORTH DAKOTA TELEPHONE COMPANY)	
(FRN 0002638641))	
)	
An Incumbent Local Exchange Carrier)	
in the State of North Dakota whose assets)	
only for the Velva Exchange are to)	
be Acquired)	
)	
Petition of Local Exchange Carriers for Waiver)	
of "Study Area" Boundaries as defined in)	
Appendix – Glossary of Part 36 in connection with)	
a Proposed Acquisition by SRT Communications,)	
Inc. of all assets of North Dakota Telephone)	
Company for the Velva Exchange in North Dakota)	

To: Wireline Competition Bureau, Telecommunications Access Policy Division

**SECOND SUPPLEMENT TO
PETITION FOR WAIVER TO CHANGE STUDY AREA BOUNDARIES**

SRT Communications, Inc. ("SRT") hereby supplements the above-captioned petition to provide the attached copy of an Order dated December 6, 2006 by the Public Service Commission of the State of North Dakota ("PSC Order"). Among other things, the PSC Order granted the application of SRT for a certificate of public convenience and necessity to provide incumbent local exchange telecommunications services in the Velva exchange area of North Dakota, effective with the date that the asset acquisition transaction is complete.

Respectfully submitted,

SRT COMMUNICATIONS, INC.

s/ David L. Nace

By: _____
David L. Nace
Its Attorney

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Date: December 13, 2006

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

SRT Communications, Inc.
Designated Eligible Carrier
Application

Case No. PU-06-419

SRT Communications, Inc.
Local Exchange
Public Convenience and Necessity

Case No. PU-06-420

ORDER

December 6, 2006

On September 18, 2006, in Case No. PU-06-420, SRT Communications, Inc. (SRT) of Minot, ND filed an application for a certificate of public convenience and necessity to provide facilities-based incumbent local exchange telecommunication services in the Velva, North Dakota local exchange area. SRT reports entering into a purchase and sales agreement with North Dakota Telephone Company (NDTC) for SRT's purchase of NDTC's current assets and facilities relating to the provision of local exchange telecommunications service, exchange access and other telecommunications services in the Velva exchange.

Also on September 18, 2006, in Case No. PU-06-419, SRT filed a Petition for Designation as an Eligible Telecommunications Carrier (ETC) for receiving federal universal service support in the Velva, North Dakota local exchange area.

On October 12, 2006 the Commission issued a Notice of Opportunity for Hearing and Notice of Informal Hearing, providing until November 20, 2006 for receiving written comments or hearing requests and scheduling an informal hearing for November 22, 2006. No comments or requests for hearing have been received. The Notice identified the following issues to be considered:

1. Fitness and ability of the applicant to provide service.
2. Adequacy of the proposed service.
3. Technical, financial and managerial ability of the applicant to provide service.
4. Qualification of the applicant under the Telecommunications Act of 1996, Section 214(e) for designation as an ETC eligible to receive federal universal service funding.
5. Whether the Commission should order additional requirements for ETC designation recommended in the FCC's Report and Order released March 17, 2005 in CC Docket No. 96-45.

6. What ETC universal service support area should be designated.
7. Whether NDTC's current certificate of public convenience and necessity to serve the Velva exchange should be relinquished to the Commission
8. Whether, upon designation of SRT as an ETC for the Velva exchange, NDTC's designation as an ETC for the Velva exchange should be relinquished

On November 15, 2006, the Commission's Director of Accounting filed a memorandum indicating that SRT has the financial ability to provide service

On November 22, 2005 the Commission discussed the issues in these matters with the applicant and Commission staff at an informal hearing

SRT is a rural telephone cooperative and has been providing incumbent local exchange telecommunications service in North Dakota since 1951. SRT currently serves approximately 37,000 customers in 25 North Dakota exchanges. SRT desires to provide essential and nonessential telecommunications service in the Velva exchange, which currently consists of approximately 720 customers receiving service under the 338 exchange prefix. SRT's present service area completely surrounds the Velva exchange.

On September 1, 2006, SRT and NDTC entered into a Purchase and Sales Agreement for SRT's purchase of NDTC's current assets and facilities relating to the provision of local exchange telecommunication service, exchange access and other telecommunications services in the Velva Exchange.

Closing of the transaction is to occur on the first day of the month after SRT secures authorization from the Commission; the city of Velva; the Federal Communications Commission (FCC), and satisfaction from SRT Board of Directors, in its sole discretion, there is not contained in any Order of any regulatory authority a term, condition or provision which is unduly burdensome. SRT informs that the city of Velva has approved a franchise agreement, but an FCC study area waiver is still needed in order to obtain federal universal service support.

After the Closing, NDTC will cease serving the Velva Exchange and SRT intends to engage in the business of providing local exchange telecommunications service, exchange access and other telecommunications activities in the Velva Exchange. Pursuant to the agreement, all subscribers served by NDTC in the Velva Exchange as of the closing will be served by SRT. Velva exchange customers will receive extended area calling throughout the SRT service area under SRT's residential-rural and business rate schedules.

To be designated as an eligible telecommunications carrier, a carrier must: (1) offer the services that are supported by federal universal service support mechanisms, and offer the services designated by the FCC for such federal support mechanisms for schools, libraries, and health care providers; and (2) advertise the availability of such services and the charges therefore using media of general distribution. Additionally, Lifeline and Link Up offerings must meet requirements established by the FCC.

For telecommunications customers, the services designated by the FCC for support by universal service support mechanisms include voice grade access to the public switched network, local usage, dual tone multi-frequency signaling or its functional equivalent, single-party service or its functional equivalent, access to emergency services, access to operator services, access to interexchange service, access to directory assistance and toll limitation for qualifying low-income consumers.

For schools and libraries, the services designated by the FCC for support by universal support mechanisms include all items listed on the Eligible Services List of the Schools and Libraries Support Mechanism of the Universal Service Administrative Company dated October 18, 2002. For health care providers, the services supported by universal service support mechanisms include any telecommunications service that is used primarily for the provision of health care.

SRT affirms it will meet all the criteria for ETC designation in the Velva exchange.

The Commission has initiated a rulemaking proceeding to consider adopting additional requirements for ETC designation recommended in the FCC's Report and Order released March 17, 2005 in CC Docket No. 96-45 and will not impose those additional requirements in this proceeding.

SRT has made substantial efforts to inform all customers of the transaction. On June 22, 2006 SRT issued a Press Release that appeared in the Minot Daily News and the Velva Voice. An interview with SRT CEO Steve Lysne was televised and notification was included in the July/August and September/October editions of the SRT Newsletter. Informational meetings were also scheduled for November 28 at the Velva Senior Citizens Center and November 29 at the Velva school.

NDTC General Manager Dave Dircks affirms that NDTC has notified its current Velva customers of the acquisition by newspaper. Mr. Dircks further affirms that NDTC supports SRT's applications and that NDTC's certificate of public convenience and necessity and ETC designation for the Velva Exchange should be relinquished upon closing of the asset transfer transaction.

The Commission finds SRT is fit, able, and has the technical, financial and managerial ability to provide service.

The Commission finds SRT's proposed service is adequate.

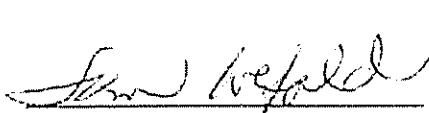

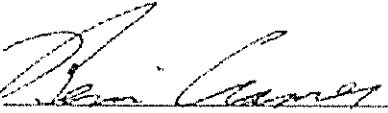
The Commission finds SRT is qualified under Section 214(e) of the Communications Act of 1934 as amended by the Telecommunications Act of 1996, for designation as an eligible telecommunications carrier for receiving federal universal service funding for the Velva exchange area.

Order

The Commission Orders:

1. The application of SRT Communications, Inc. for a certificate of public convenience and necessity to provide incumbent local exchange telecommunications services in the Velva exchange area of North Dakota is approved, effective with the date that the asset acquisition transaction is complete. A certificate of public convenience and necessity will be issued upon notification by the applicant that the transaction is complete.
2. SRT Communications, Inc. is designated as an eligible telecommunications carrier in the Velva exchange area effective with the issuance of certificates of public convenience and necessity and conditioned on FCC approval of redefined study area requirements under 47 CFR section 54.207(c).
3. North Dakota Telephone Company's certificate of public convenience and necessity for the Velva exchange area is relinquished and cancelled effective with the issuance of new certificates to SRT.
4. North Dakota Telephone Company will no longer be designated as an ETC for the Velva exchange area effective upon relinquishing its certificates of public convenience and necessity.

PUBLIC SERVICE COMMISSION

		
Susan E. Wefald Commissioner	Tony Clark President	Kevin Cramer Commissioner